

§ 235.245

§ 235.245 Certificate of tax assessment.

The mortgagee shall certify, as of the date of filing for record of the deed or assignment of the mortgage to the Secretary, that the family unit is assessed and subject to assessment for taxes pertaining to that unit.

§ 235.250 Cancellation of property insurance.

The provisions of § 203.382, relating to the cancellation of hazard insurance upon filing for record of the deed to the Secretary, are incorporated by reference and shall apply to hazard insurance policies carried solely for the family unit.

Subpart C—Assistance Payments—Homes for Lower Income Families

SOURCE: 41 FR 1178, Jan. 6, 1976, unless otherwise noted.

§ 235.301 Definitions.

The definitions contained in § 235.5 shall apply to this subpart. In addition the term *assistance payment* means that portion of a homeowner's or cooperative member's monthly mortgage payment which the Secretary becomes obligated to pay under an assistance payment contract.

§ 235.305 Contract for assistance payments.

This subpart shall constitute the contract between the mortgagee and the Secretary for assistance payments pursuant to section 235(b) of the National Housing Act.

§ 235.310 Execution of assistance payment contract.

(a) *Homeowners.* The issuance of a mortgage insurance certificate pursuant to § 235.1 *et seq.* shall also constitute the execution of the assistance payment contract with respect to the mortgage being insured.

(b) *Cooperative members.* The issuance of a certificate approving an application filed on behalf of a cooperative member shall constitute the execution of the assistance payment contract with respect to member named in the certificate.

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§ 235.315 Qualified homeowners.

To qualify for assistance payments, the homeowner's income at the time of application for assistance, shall be within the limitations provided in § 235.10, and the homeowner shall be a mortgagor under a mortgage insured or to be issued pursuant to subparts A and B to this part.

§ 235.320 Limitation of sales price.

To qualify for assistance payments, the homeowner shall not have paid in connection with the purchase of the property with respect to which assistance payments are to be made more than the Secretary's estimate of value of such property, nor shall the purchase price exceed 120 percent of the mortgage amount established pursuant to § 235.25 or § 235.30, whichever is applicable.

§ 235.325 Qualified cooperative members.

The following cooperative members shall qualify for assistance payments subject to the requirement of this subpart C:

(a) A member of a cooperative association which operates a housing project financed with a mortgage insured under §§ 213.1 through 213.280 or §§ 221.502 through 221.790 of this chapter pursuant to Section 221(d)(3) of the National Housing Act provided:

(1) The housing project has been constructed or substantially rehabilitated not more than two years prior to the filing of the application for assistance payments and the dwelling unit had no previous occupant, or

(2) The cooperative member acquired membership and occupancy rights from one who was receiving assistance payments, or

(3) The cooperative member meets one of the following qualifications:

(i) The member's family is displaced from an urban renewal area, or as a result of a governmental action, or as a result of a major disaster as determined by the President.

(ii) The member's family shall include five or more minor persons.

(iii) The member's family shall have been occupying low-rent public housing at the time the application for assistance payments is filed, or